



U.S. Department of
Transportation
Office of the Secretary
of Transportation

ORDER

DOT 2770.1D

Subject: OFFICIAL RECEPTION AND REPRESENTATION EXPENSES

June 14, 1999

1. PURPOSE. This Order establishes Departmental policy and financial procedures governing the distribution, use, and accounting of reception and representation funds which are authorized by Congress for the purpose of establishing and maintaining relationships of value to the Department and to the United States.
2. CANCELLATION. DOT 2770.1 C, Official Reception and Representation Expenses, of 4-16-84.
3. BACKGROUND.
 - a. Authority for the Department of Transportation (DOT) to spend funds for **official** reception and representation expenses is contained in the annual Departmental Appropriations Act in the appropriation language of the Office of the Secretary "Salaries and Expenses" account, which includes the following statement or its equivalent:

"... including not to exceed \$xx,xxx for allocation within the Department for official reception and representation expenses as the Secretary may determine."
 - b. Funds appropriated to the St. Lawrence Seaway Development Corporation are authorized to be spent for reception and representation purposes subject to the law as it applies to wholly owned Government corporations generally and to the Corporation specifically. The Corporation maintains its own policy and procedures governing the use and accounting of its funds for this purpose, consistent with that law. The Corporation does not receive an allocation from the Departmental appropriation.
 - c. Expenses properly chargeable to the reception and representation funds are those which further the interests of the Department and the United States. Expenditures will be limited to the demands of established social custom with due regard for the official status of the host and the status of the guests.
 - d. The funds available for representation purposes are extremely limited. Moreover, representation activities on behalf of the Department are inherently sensitive and subject to close scrutiny. Accordingly, it is mandatory that requests to use these funds be measured against the highest standards of essentiality, recognizing that many entirely appropriate requests simply cannot be honored within the limits of available funds.

- e. The amount and nature of any entertainment shall reflect the highest discretion and the most useful application of these funds, with due regard for the necessity of maintaining the highest standards of conduct in the Department and avoiding any personal benefit or appearance thereof to any Departmental officials.
- f. Care will be taken to assure that employees of the Federal Government are entertained through the use of these funds only when their presence is necessary to the interests of the United States.

4. RESPONSIBILITY.

- a. The Assistant Secretary for Budget and **Programs/CFO** is responsible for issuing monetary authorizations for the use of reception and representation funds provided in the DOT Appropriations Act.
- b. Secretarial Officers, Heads of Operating Administrations and other officials who receive a monetary authorization for the use of these funds shall establish procedures to ensure that the authorization is not exceeded.
- c. Use of these funds requires personal authorization and supervision by the ranking official in the respective organizations receiving a monetary authorization. This responsibility requires the approval of each obligation and each expenditure of reception and representation funds by the ranking official; For the Office of the Secretary (OST) and the Operating Administrations, this authority may be delegated only to the **second**-ranking official, and a copy of the delegation shall be sent to the Chief, Accounting Division, FTA (TPB-24). Exceptions to this policy must be approved, in writing, by the Secretary or Deputy Secretary.

5. GUIDELINES FOR USE OF RECEPTION AND REPRESENTATION FUNDS.

- a. Appropriate Functions. The following are considered to be appropriate functions or circumstances for use of reception and representation funds:
 - (1) Official courtesies for distinguished foreign private citizens, foreign military officials, and government officials of foreign countries whose rank, position, function or stature justify official entertainment or other appropriate courtesies.
 - (2) Official courtesies for Federal, State, and local officials such as the President and Vice President of the United States, members of the Cabinet, members and professional staff personnel of Congress, Governors of States, mayors of cities, representatives of citizens organizations, and other distinguished or prominent citizens who have made a substantial contribution to the Nation.

- (3) Receptions and formal dinners for top-ranking guests of honor described in subparagraphs (1) and (2). Functions for lesser ranking guests of honor should generally be limited to small luncheons. As a general practice the duties of DOT officials do not require that they host "business luncheons." Invitations to such luncheons shall normally be extended only when essential to international representation or to contacts with officials not employed by the Executive Branch of the Federal Government. In all cases, it should be unequivocally clear that the luncheon furthers the official business of DOT.
 - (4) Other forms of activity, which may be appropriate under special circumstances, include tours of Departmental facilities and nearby points of interest, and attendance at musical and dramatic performances.
 - (5) Other official luncheons, dinners and special occasions as may be authorized by the Secretary or Deputy Secretary.
 - (6) Business cards, as long as the primary purpose of the card is to extend courtesies and conform to social or business custom in the context of agency related activities.
- b. Allowable Expenses. Any expense normally associated with or incidental to the immediate function being sponsored is normally allowable. These include, but are not necessarily limited to, food and beverages, gratuities, and ceremonial presentations. The funds may also be used for flowers, wreaths, and similar tokens, in accordance with local custom, on such occasions as weddings, births, serious illnesses, or deaths of important personages. In some cases, a portion of the cost of a function may be appropriately paid with reception and representation funds even though the entire function may not be.
- c. Sponsorship. Expenditures of reception and representation funds must always be made on behalf of and in the name of the Department of Transportation.
- d. Official Host. The **official** host shall be a Secretarial Officer, the Head of the appropriate Operating Administration, or another DOT official designated in writing by one of the foregoing **officials** to serve as host on his or her behalf.
- e. Attendance of **Employees** of the United States at Functions.
- (1) Costs attributable to the attendance of employees of the United States may be charged to these funds only when their presence is necessary to further the interests of the United States. Invitations to employees:

(a) Shall be limited to key staff personnel whose:

1 Official duties are related to the **official** interest of the honored guests, or

2 Attendance is warranted as a means of according proper recognition to the importance of the occasion.

(b) Should include spouses only when it is determined that their presence would be particularly appropriate to the occasion.

(2) Attendance of employees shall be completely voluntary when personal expense is involved.

f. Joint Functions. Departmental **officials** should avoid planning more than one DOT function in connection with official visits which encompass more than one element of the Department. This can be done by arranging joint functions which will serve to discharge the Department's obligations. Questions involving possible duplication of functions should be referred to the Assistant Secretary for Budget and **Programs/CFO** for resolution.

g. Entertainment in Private Residences. No function chargeable in whole or in part to these funds shall be held in a private residence unless the prior written approval of the Secretary or Deputy Secretary or the Head of the appropriate Operating Administration concerned has been obtained. (As a general practice within DOT, use of these funds for a function held in a private residence has been reserved for the entertainment of foreign dignitaries.)

6. PROHIBITED EXPENDITURES.

a. No expenditures shall be made from these funds at any place or location or to any organization or groups, which practice discrimination on the basis of race, religion, color, national origin, sex, or sexual orientation.

b. Reception and representation funds shall not be used for the following or similar purposes:

(1) Hire, purchase, operation, or repair of any motor propelled, passenger-carrying vehicle, including aircraft.

(2) Membership fees or dues in any society, club, or association.

(3) Purchase or printing and sending of Christmas or other types of greeting cards.

- (4) Expenses for retirement or award ceremonies for Departmental civilian and military personnel except for those official retirement or award ceremonies specifically approved in advance by the Secretary or Deputy Secretary.
- (5) Any purpose for which an appropriation is otherwise available, or to circumvent administrative or legal restrictions on the use of other appropriated funds.
- (6) Expenses solely for entertainment of Department of Transportation personnel, except that minimally required to extend official courtesies as determined by the Secretary or Deputy Secretary.
- (7) Expenses which are normally expected to be assumed as a personal obligation.
- (8) Additional compensation or perquisites for officials of the United States.

7. FINANCIAL PROCEDURES.

- a. Annual Authorizations. The Assistant Secretary for Budget and **Programs/CFO**, in accordance with paragraph 4a above, will issue annual monetary authorizations by memorandum. During the year, the use and requirements for these funds will be subject to review, and revised authorizations may be made as appropriate.
- b. Operating Program Accounts. FTA's Accounting Division will establish an accounting code structure capable of recording planned and actual obligations for each entity receiving annual authorizations described in paragraph 7a. The Accounting Division will inform each of these entities of the appropriation symbol and unique operating program account symbol they must show on authorization, procurement and expenditure documents.
- c. Records. Each Operating Administration and affected OST office shall maintain a memorandum record of the status of its reception and representation authorization. This memorandum record will, as a minimum, indicate:
 - (1) Total Funds Authorized.
 - (2) Total Expenditures Incurred.
 - (3) Unliquidated Obligations.
 - (4) Unobligated Balance of Authorization.

A copy of the memorandum record shall be provided to the Office of Budget and

Program Performance within 20 days after the close of each calendar month.

- d. Preparation of Accounting Documents. All official reception and representation expenditures must be certified for direct disbursement from the appropriation "Salaries and Expenses, Office of the Secretary, Department of Transportation." In compliance with this policy ruling, the OST and each Operating Administration shall ensure that all authorization, procurement, and expenditure documents for official reception and representation expenses cite the specific provision in this Order that supports the expenditure (e.g., "as permitted under sections 5a(3) of DOT Order 2770.1D"), as well as the appropriation symbol and operating program account symbol described in paragraph 7b.
- e. Processing Procedures. Each recipient of an annual monetary authorization under this program will submit copies of authorization documents, obligation and expenditure documents, vendor billings, list of attendees, and vouchers bearing administrative approval of the appropriate Secretarial Officer or Head of the Operating Administration, or his or her designee for the reception and representation expenses. In cases where electronic fund transfers (to individuals or vendors) are expected to occur, it will be necessary to provide automatic clearinghouse forms (SF 3881). All of the above documents will be submitted to the Chief, Accounting Division, FTA (TPB-24), for audit, scheduling and certification for payment; and recording in the accounts of the OST.
- f. Reports. Monthly financial reports will be prepared from the accounts maintained by FTA's Accounting Division. Copies of individual monthly status reports will be prepared for each organizational component responsible for authorizing reception and representation expenses. It will be the responsibility of each organization receiving reception and representation authorizations to reconcile these status reports with the memorandum records maintained in accordance with paragraph 7c above and promptly notify the Chief, Accounting Division, FTA, of any unreconciled items.

FOR THE SECRETARY OF TRANSPORTATION:



Peter J. Basso
Assistant Secretary for Budget and Programs/CFO